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No farewell to armsgate

CIA link eyed in Swiss \$

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WASHINGTON — President Reagan yesterday urged the nation not to let the Iran-Contra scandal stand in the way of continued U.S. aid to "brave fighters for freedom," but the administration was dogged by new questions about how Iranian arms sale money got to the Nicaraguan rebels.

Reagan's plea was complicated by published reports that the CIA managed the Swiss bank account used to transfer the Iranian funds to the Contras and that the same account had been used to channel money to anti-Communist rebels in Afghanistan. The CIA denied the story.

Several GOP congressional leaders who met yesterday with Reagan expressed concern about the new reports of CIA involvement and the role of agency director, William Casey, a White House official said last night. One participant of the meeting said the concerns were raised in particular by Rep. Dick Cheney (R-Wyo.), a member of the House Intelligence Committee.

It was the second day that the Republican group, led by Sen. Robert Dole of Kansas and House Minority Leader Robert Michel of Illinois, met with Reagan to make sure, as they rallied around him, that no new bombshells were in store. Reagan is expected to meet with leaders of both parties today.

Reagan told a group of businesswomen invited to the White House: "We cannot let recent events distract us from the cause of those brave fighters for freedom around the world. Nothing that has happened makes those causes any less just or vital to our country and all that it stands for."

Reagan must ask Congress by Feb. 15 for the release of the remaining \$40 million of the \$100 million in military assistance that it approved in October. Top officials on Capitol Hill have predicted a renewed effort to kill that funding because of the Iran-Contra revelations.

Congressional investigators are said to have found that the CIA managed the Swiss account where the \$10 million to \$30 million in profits from the arms sales to Iran were deposited on behalf of the Contras.

Reports identified the account as one set up by the CIA to funnel \$250 million secretly appropriated by Congress, and another \$250 million contributed by Saudi Arabia, to the Mujaheddin rebels in Afghanistan.

The stories, if true, raised sticky new questions since they suggest CIA involvement in aiding the Contras at a time when Congress had banned military assistance. And the disclosure conflicted with Attorney General Edwin Meese's statement last week that the Iranian arms profits had been deposited in an account controlled by Contra representatives. Reagan said in a Time

magazine interview that the money transfer was handled by "another country"—meaning Israel.

The CIA disputed the reports, saying the only money it handled was the \$12 million paid to the Pentagon for military equipment that was sold to Iran.

"The CIA received no profits from any transaction with the Iranians, nor were any funds that passed through agency hands diverted to the Contras or any other covert action program," said spokesman George Lauder.

Rumblings on Capitol Hill about CIA conduct fueled speculation about whether Casey had now joined chief of staff Donald Regan on the White House endangered list.

Senate GOP leader Dole, emerging from the meeting between Reagan and top Republican lawmakers, said the President left the impression that no new high-level departures of administration officials were imminent.

"I think the President indicated, as far as he knows, there are only two people involved and they're both gone," said Dole, referring to former national security adviser John Poindexter and fired aide Oliver North.

"I think he feels that he's cleaned house and if somebody else shows up, they'll probably be gone, too."